



There will be an extraordinary meeting of the **UNIVERSITY COURT** on **Friday 16 February** at **9.00am** in the **Court Room, University Office**.

BUSINESS FOR DISCUSSION

- 1 9.00am DECLARATION OF INTEREST AND CONSIDERATION OF FORMAL BUSINESS
- 2 9.00am MINUTES
Note: An Action Log is enclosed with the minutes.
- 3 9.05am FINANCIAL SUSTAINABILITY
 - 3.1 Financial Sustainability **In Strictest Confidence**
 - 3.2 Motion from Senate 24 January 2018
 - 3.3 Options for Growth: A response to the December Financial Sustainability paper from Dr Martin Mills, Elected Academic Staff Member of Court.

A break for coffee will be taken at 10.45am. Lunch will be available at the conclusion of the meeting at 1pm in the adjacent Committee Room 2.

- 4 DATE OF NEXT MEETING: Wednesday, 4 April 2018 at 9.00am – 1.00 pm, preceded by Dinner on Tuesday 3 April 2018 at 6.30pm.



UNIVERSITY COURT

FRIDAY 16 FEBRUARY 2018

DECLARATION OF INTEREST AND CONSIDERATION OF FORMAL BUSINESS

DECLARATION OF INTEREST:

Any member or individual in attendance (including officers) who has a clear interest in a matter on the agenda must declare that interest at the meeting.

BUSINESS FOR DISCUSSION:

Items 2-3 are items of business proposed for discussion.

UNIVERSITY OF ABERDEEN

UNIVERSITY COURT

Minutes of meeting held on 12 December 2017

Present: Ms M Chapman (in the Chair except for Minutes 96 to 101), Principal (except for items 79 to 81), Professor N Booth, Mr C Duncan, Professor M Delibegovic, Mrs J Fernandes, Mr J Hall, Ms L Jack, Mr D MacFarlane, Mr I Mackay (teleconference), Mrs K McPhail, Dr M Mills, Ms A Minto, Mr L Ogubie, Dr N Oren, Mr B Paterson, Mr I Percival, Professor J Schaper, Dr R Shanks, Mrs J Shirreffs, Ms K Smith, Dr D Steyn (teleconference) and Dr D Watts.

In attendance: Mr D Beattie, Mr A Donaldson (for minutes 122 to 124), Mrs D Dyker (for minutes 90 to 110), Professor M Greaves, Professor S Heys (for minutes 116 to 121), Mrs C Inglis, Professor P McGeorge (for minutes 94 to 101), Professor J Paterson (for minutes 112 to 118), Dr H Sveinsdottir (for minutes 76 to 78), Very Rev Professor I Torrance Kt, Professor R Wells (for minutes 122 to 124), Mr A Wight (for minutes 122 to 124), Mrs E Bowie (for minutes 119 to 121), Mrs G Smith (for minutes 116 to 117) and Mr B Purdon (Clerk).

Apologies for absence were received from Mr M Gilbert and Ms L Menzies.

NEW MEMBERS

68 The Rector welcomed Ms Lorna Jack and Mr Iain Mackay to their first meetings.

DECLARATION OF INTERESTS

69 Professor Booth, Professor Delibegovic, Mrs Fernandes, Dr Mills, Dr Oren, Mr Paterson and Dr Watts declared interests in an item on the agenda as members of the Universities Superannuation Scheme (USS). Mr Mackay noted that USS was an investor in his employer HSBC.

70 Mr Paterson declared an interest as former Trustee of the University of Aberdeen Superannuation and Life Assurance Scheme (UASLAS) and as a member of staff involved in the Science Teaching Hub.

71 The Rector declared an interest as a member of the Scottish Teachers Superannuation Scheme (STSS).

72 Mrs Inglis declared an interest as a Trustee of UASLAS.

MINUTES AND ACTION LOG

73 The Minutes of the meeting held on 4 October 2017 were approved.

74 The Court noted the updated Action Log (*copy filed with the principal copy of the minutes*).

MODERN SLAVERY AND HUMAN TRAFFICKING STATEMENT

75 The Court received the Modern Slavery and Human Trafficking Statement (*copy filed with the principal copy of the minutes*). The Court agreed that the Statement should also address how the University discharged its responsibilities in this regard through its transnational partners. The Statement would be circulated to Court once updated.

INSTITUTIONAL BREXIT STRATEGY

- 76 The Court received a paper which detailed the work being undertaken to develop an institutional strategy to identify and address challenges arising from Brexit (*copy filed with the principal copy of the minutes*).
- 77 In discussion, the Principal reported on the most recent developments with regard to UK-EU negotiations on Brexit and the implications these might have for UK higher education, which were considered to be moving in a more positive direction than had previously been the case. The Principal was closely involved in Universities UK's Brexit working group and as a result was in close dialogue with the UK Government on the issues for higher education. The Court discussed issues related to access to EU research funding, student recruitment and the retention of non-UK EU staff. The need to continue to support and reassure those staff wherever possible was noted as particularly important.
- 78 The Court noted that reports on the development of the strategy would be submitted to Operating Board and then to Court on 4 April 2018.

UPDATE ON APPOINTMENT OF THE NEW PRINCIPAL

- 79 The Court received a paper outlining the progress made since the last meeting of Court by the Selection Committee in the process to appoint a new Principal (*copy filed with the principal copy of the minutes*). The Principal recused himself from the meeting for the discussion of this item.
- 80 The report highlighted the appointment of recruitment consultants and the consultation process that was being undertaken with key stakeholders around the key qualities, experience, skills and attributes required of the new Principal. The report also noted that the Selection Committee would consider benchmark information to support discussions around the total remuneration and benefits package which could be made available to the successful candidate. This matter would be considered by the Remuneration Committee. In discussion, it was noted that the Remuneration Committee was cognisant of the challenging financial environment within which the University was operating and the public interest in the remuneration of Principals and Vice-Chancellors.
- 81 The Court also noted that the Selection Committee was due to review the overall timetable for appointment and that this would include options to enable recommendations to be made to Court either by April 2018 or no later than June 2018.

ANNUAL REPORT, ACCOUNTS AND AUDIT REPORTS

ANNUAL REPORT AND ACCOUNTS FOR YEAR END 31 JULY 2017

- 82 The Court received the Annual Report for the year to 31 July 2017 (*copy filed with the principal copy of the minutes*).
- 83 The Court noted the impact of FRS102 brought greater volatility to the reported financial position and resulted in significant movements in the reported surplus or deficit position. As a result the underlying results that excluded non-controllable items such as the movement of the value of investments, pension deficits and significant one off transactions, was the salient figure. The Court noted that this reported an underlying deficit for the year to 31 July 2017 of £2.0m compared with a £0.3m surplus for the prior year.
- 84 In discussion, the Court welcomed the further development of the Annual Report as a means of promoting the achievements of the University, its staff and students. It was suggested that the summary of the University's strategy could be more distinctive to Aberdeen and that the Court should reflect on this when developing the next Strategic Plan. It was also clarified that the University was working closely with the Oil and Gas Technology Centre to respond to the needs of that industry and to leverage funding for near industry research, including a

bid to develop a centre of excellence in decommissioning. It was agreed it would be helpful for Court to receive a presentation on the University's partnerships with the Oil and Gas industry.

85 The Court approved the Annual Report and Annual Accounts for the year ended 31 July 2017.

EXTERNAL AUDITORS' REPORT AND REPRESENTATION LETTER

86 The Court received and approved the External Auditor's Annual Report for 2016-17, which provided an unqualified audit opinion, and the Management Representation Letter (*copies filed with the principal copy of the minutes*).

AUDIT COMMITTEE ANNUAL REPORT

87 The Court received and approved the Audit Committee's Annual Report for 2016-17 which would be included in the annual financial reports to the Scottish Funding Council (SFC) (*copy filed with the principal copy of the minutes*).

88 In discussion, it was confirmed that the Audit Committee would receive in the New Year the report of the Internal Auditors review of the discontinuation of the OneSource Payroll project. The Court was also advised of the disciplinary action that had been taken with regard to the incidences of credit card fraud which were reported in the paper.

INTERNAL AUDITORS' ANNUAL REPORT

89 The Court received and approved the Internal Auditor's Report for 2016-17 (*copy filed with the principal copy of the minutes*).

FINANCIAL PLANNING

FINANCIAL SUSTAINABILITY

90 The Court received in confidence a paper on financial sustainability (*copy filed with the principal copy of the minutes*). The paper outlined the financial climate across the higher education sector and the challenges faced by the University in that context and the steps taken over recent years to mitigate those challenges. The paper then considered the medium term outlook and progress towards meeting the Court's strategic target to reach a 'break-even' position by 2020. This included an evaluation of the steps taken to date to achieve financial sustainability, the potential for sustainable income growth and options for how this could be achieved going forward. The paper suggested that to achieve sustainability and future growth, the University had to focus resource on the academic areas where it could maximise income and build upon world leading research, whilst also generating the resource necessary to invest in physical and digital infrastructure - these being essential to the future success of the institution in a highly competitive and unpredictable world. The paper outlined a need to consider reshaping some academic areas and other options to address the financial savings required.

91 The Court had an extensive discussion of the paper, in which a range of comments were made, including the following points:

- The extent to which staffing levels in both academic and non-academic areas had reduced over recent years was discussed and whether further reductions in the University's staffing costs could generate income growth. It was agreed further information on staffing levels across the Schools and Professional Services and how these had changed over recent years would be helpful for Court to receive. It was suggested this should include benchmarking data against other higher education institutions;
- Whether further borrowing to invest in potential for income growth was an affordable

and sustainable option;

- That the future implications of pensions costs for the University were not included in the financial forecast and would likely result in increased costs;
- The extent to which predicted shortfalls against income growth targets could be addressed;
- In the context of having undertaken a number of voluntary severance schemes over recent years and the potential impact of some of the options within the paper on morale, the importance of a dialogue with staff to understand the challenges the University faced and the reasons for these was emphasised. A number of members noted the risk of staff leaving if there was an extended period of uncertainty and that this could further undermine the University's strategy for growth;
- A number of members expressed concern that the confidentiality of the paper may have been breached by some Heads of Schools discussing it with their School executive teams. The Court noted this but that it had been considered necessary for Heads of School as part of management and as budget holders to be engaged in the development of the paper;
- Research income and the issue of whether some research activity generated no income was debated.
- A number of members noted the risks of a further period of seeking in-year savings and cuts which failed to sufficiently address the challenges the University faced in medium term. The importance of any decisions that were reached being sustainable for the longer-term and for the good of staff morale was noted.
- The Court noted that given the extensive reductions in costs within Professional Services that had been delivered since 2015 (£4.1M), a review of how Professional Services could deliver further savings had been commissioned by external consultants. This would be shared with Court once finalised.
- Concern was expressed by some members that a further discussion of the issues in the paper might be held without an elected Rector.

92 The Court agreed that the University needed to achieve its strategic financial target by 2020 and to be in a position thereafter where it could generate surpluses to invest in the future growth and success of the institution. The Court agreed it should receive further information to allow Court to appraise and agree upon which options could realistically ensure the achievement of that objective. The Court agreed that a meeting to discuss the issues further should be arranged for January or early February 2018.

93 The Court agreed that an appropriate communication to staff to ensure there was clarity regarding the decisions reached by Court from the discussion should be issued before the Christmas holiday period.

RECTORIAL ELECTION

94 At the request of the AUSA Executive and some members of Court, the Court agreed to discuss the recent Rectorial Election and the decision of the Elections Committee with regard to an Appeal. The Court did so without, however, formally receiving information with regard to the substance of the Appeal or the decision of the Elections Committee.

95 The Rector tabled a statement which included a request for Court to agree to release the results of the election and to reverse the decision to annul the election. After making a brief oral statement to Court, the Rector recused herself from the remainder of the discussion and was not present. In the absence of the Rector and the Senior Governor, the Senior Independent Member as the formal deputy to the Senior Governor took the Chair.

96 The President of the Students' Association confirmed that he had been called as a witness by the incumbent Rector at the Appeal hearing but that he did not consider himself to have a

conflict of interest in the matter. The President of the Students' Association was invited to make a statement to Court with regard to the request of the AUSA Executive Committee for the matter to be discussed by Court. The Vice-Principal for Teaching and Learning, as a member of the Elections Committee, was also invited to comment. The Secretary was asked by the Senior Independent Member to outline the role of Senate with regard to the elections process and that of the Elections Committee and the process that had been followed. This included informing Court that the composition of the Elections Committee had been enhanced to include two additional student Senators and two additional elected staff members of Senate. The Secretary also explained that the composition of the Elections Committee included her as Secretary but as she had knowledge of the result, and this might be perceived to render her unable to be impartial, her role had been discharged by the former Academic Registrar and she took no part in the Elections Committee proceedings.

- 97 In an extensive discussion, a number of points were made regarding the role of Court with regard to the matter and the issues that had arisen related to the decisions reached by both the Returning Officer and the Elections Committee, including whether the principle of materiality had been considered. The Court noted, however, that the election process and rules were matters, under Ordinance 115, for the Senate and that the Elections Committee was a sub-committee of Senate. The Court noted its overarching obligation for the reputation of the University and for good governance but agreed that the election process was a matter for Senate to consider rather than Court. The Court also noted, that for the avoidance of doubt, even if it were appropriate, it did not have the information necessary in formal terms to be able at the meeting to consider the request to review the decision of the Elections Committee. Taking into account its responsibilities as the governing body, the separate issue of whether due process had been followed was a matter that Court agreed it would wish to be assured of but that Court respected this was a matter for Senate to consider and, furthermore, was distinct altogether from intervening in the content of the decision of the Elections Committee.
- 98 The Secretary advised Court that she had received a complaint from another candidate that the Rector was engaging in campaigning activity at this time through the media and the candidate had requested the University take action to stop this. The Secretary noted, however, that there was no election taking place at this time and for that reason no action could be taken.
- 99 The Court agreed to ask that the Senate confirm that due process had been followed by the Elections Committee and for the outcome of the Senate's consideration of this to be reported to Court.
- 100 The Court also agreed on the need for further communication with students and staff to advise them of the further consideration given to the matter by both Court and Senate. The Court also agreed that candidates in the election should be asked to refrain from making any further public comment until such time as the election took place.
- 101 The Court noted that there would be a period now while the Court did not have a Rector and that clarification would be sought on whether the current term of the Rector could be extended pending the election taking place but that this was not understood to be permissible under the terms of the Ordinance.

PENSIONS

UNIVERSITY OF ABERDEEN SUPERANNUATION AND LIFE ASSURANCE SCHEME (UASLAS)

- 102 The Court received a paper which set out the Operating Board's consideration of the UASLAS pension scheme following its triennial valuation. This included the Board's recommendations with regard to the structure of future pension provision and actions to address the scheme's current deficit of £9 million (*copy filed with the principal copy of the minutes*).
- 103 The Court noted that the deficit needed to be addressed by the UASLAS Trustees over a period that was sustainable to the University and would also gain the approval of the Pensions Regulator which had stressed the need to balance employer affordability with making good the shortfall reasonably quickly. The longer the recovery plan, the greater the need for additional security to underwrite the risk in the scheme. Given the University's budgetary

constraints, it was proposed the University should work with the Trustees to make good the deficit over 11 years. The Trustees had intimated that this would be possible but given the length of the recovery period, they would wish security over a University asset or assets. The Operating Board had considered this extensively and recommended that the University grants security over University assets, to be underpinned by a legal agreement between the parties which provided that:-

- there should be no restrictions on asset use;
 - the agreement should recognise changes in asset valuations;
 - the University had the right to replace the asset held under security at its discretion;
 - as payments are made the level of security should be adjusted to reflect the lower deficit; and
 - the agreement sets out in detail what will happen at the next valuation i.e. the security would automatically lapse and would be replaced if required.
- 104 The Court noted that it was intended that the security offered would be linked to assets which can be realised by the UASLAS Trustees in the event the University defaulted on its deficit payments. The University had identified that 55 out of the 120 residential properties it owned around the campus, had a combined market value of £9.1 million and it was proposed to offer these as the securitised assets. The Court agreed to approve the recommendation that the University make good the historic deficit over a period of 11 years and to agree in principle to offer security over University assets.
- 105 The paper also set out the issues that the University faced in meeting the forecast future costs of the scheme's pension provisions. The future pension contribution rate was estimated to be 19.3% compared to the current rate of 11.7% and this would cost the University £1.0 million per annum in additional pension contributions. This was considered to be unsustainable in the context of the many financial risks and uncertainties facing the University. The paper, therefore, set out four options for future pension provision and the benefits, risks and financial implications of each. The Operating Board had recommended to Court that a hybrid defined benefit/defined contribution scheme be introduced for future pension provision and from the period of the current valuation to 31 July 2019 pension accrual should be on the basis of defined contribution only.
- 106 In discussion of the recommendation, some members of Court noted that this represented a significant change for the support staff who were members of the scheme and that while it was proposed to consult with staff on the changes, this should be informed by more than just the one recommended option. It was suggested that a further option which sought to mirror the approach of the national USS scheme also be considered although it was noted that the USS provisions did not benefit from securitised assets. It was also noted that retaining the current structure of the scheme was not sustainable and, therefore, not an option. The Court agreed that further consideration be given to the suggestion of mirroring the USS scheme as an option and the Operating Board's recommendation to Court be deferred pending that work being undertaken.

UNIVERSITIES SUPERANNUATION SCHEME (USS): UPDATE FROM EXECUTIVE

- 107 The Court received a paper which provided an update on the 31 March 2017 valuation of the USS and also on national discussions regarding changes which had been proposed by Universities UK to future member benefits to address the £7.5Bn deficit. *(copy filed with the principal copy of the minutes)*.
- 108 In discussion, it was noted that the University and College Union (UCU) had voted to take industrial action regarding the proposed changes. It was also noted that discussions between USS, employers and employee representatives were expected to continue through December into the New Year and that Court would be kept advised of any significant developments resulting from these discussions.

USS PENSION SCHEME: PAPER FROM MEMBER OF COURT

- 109 The Court also received a paper from a staff member of Court which commented on the proposed changes to the USS proposed by Universities UK (*copy filed with the principal copy of the minutes*). The paper invited the Court to:
- i. Agree to instruct the University to correspond with Universities UK stating the Court's opposition to the proposed changes to the USS and requesting that UUK should seek to keep the defined benefit section of USS open to contributions by maintaining the salary threshold (for contributions into the defined contribution section) as near to the current level as can reasonably be afforded;
 - ii. Agree to instruct the University to explore, with the Scottish Government and other relevant bodies, the practicability of moving University staff from the USS to the Scottish Teachers Superannuation Scheme (STSS) or an equivalent scheme.
- 110 Following discussion, the Court agreed to not instruct the University to undertake the recommendation proposed with regard to (i). It was agreed that the University should consider whether the proposal at (ii) could be an option for further consideration although it was also noted that STSS might not be open to non-teaching staff. The Court noted, however, that there was no basis at this time for the University to agree to withdraw from USS, an action which if pursued would result in the realisation of the University's share of the scheme's deficit.

RISK MANAGEMENT

STRATEGIC RISK REGISTER UPDATE

- 111 The Court received and noted an update (*copy filed with the principal copy of the minutes*) on revisions made to the Strategic Risk Register since June 2017. The paper detailed current risk scores, with additional information on the three risks that currently breached the University's tolerance threshold: these being Financial Sustainability, Internationalisation and Student Recruitment.

INTERNATIONALISATION: TRANSNATIONAL EDUCATION

TRANSNATIONAL STRATEGY AND LEARNING FROM TRANSNATIONAL EDUCATION PROJECTS

- 112 The Court received a report on the University's transnational education strategy and lessons learned from transnational education activities (*copy filed with the principal copy of the minutes*).
- 113 The Court discussed how the transnational strategy was linked to the strategy for online education and each informed the other. The Court also discussed the evolving political and economic position in Qatar which although stable would be kept under review.

POTENTIAL LOCATIONS FOR TNE IN SUB-SAHARAN AFRICA

- 114 The Court received a paper which reported on the future direction for transnational education activity in Sub-Saharan Africa and its relationship with a private partner (*copy filed with the principal copy of the minutes*).
- 115 The Court noted that the private partner had suggested Mauritius might present future opportunities but this was not considered to be a strategic location for the University at this time.

PROPOSED TNE PARTNERSHIP IN SRI LANKA

- 116 The Court received a paper on a proposed transnational education project with a healthcare education partner in Sri Lanka to deliver in Aberdeen and in Sri Lanka the University's five year MBChB in medicine (*copy filed with the principal copy of the minutes*). The proposal

Draft and confidential

had been considered previously by Court in October 2017 and since then had been considered and approved by Senate.

- 117 The University Court approved the proposal to introduce in September 2019 a five year MBChB in Medicine in Aberdeen and in Sri Lanka, with an external partner in Sri Lanka, subject to recognition being received from the General Medical Council (GMC) for a transnational arm of the existing MBChB.

KOREA CAMPUS

- 118 The Court received a paper outlining recent developments with, and the present status of, the proposed campus in Hadong, South Korea, together with a report of the Operating Board's most recent consideration of the project's progress. This included an update on discussions with partners in Korea regarding the degree programmes to be offered and how these might be revised to better meet market demand following the downturn in the Korean economy.

FUNDRAISING CAMPAIGN

- 119 The Court received a paper on the development of plans for a new University-wide fundraising campaign since the last meeting of Court (*copy filed with the principal copy of the minutes*).
- 120 The Court noted that following the announcement of the Principal and Vice-Chancellor's intention to retire, the intended campaign timeline (with a launch date in 2018) had been extended given that the new Principal and Vice-Chancellor would be pivotal in shaping the content and scale of the future campaign. As a result, the Trustees recommended a phased interim approach, though still working towards the launch of a major campaign in the coming years.
- 121 The Court noted the first phase of fundraising was expected to focus on a suite of appeals including five medical projects detailed in the paper, subject to fundraising feasibility testing. The Court discussed these projects while also noting that other potential projects were under consideration and that further projects could be included as opportunities arose. The issue of whether more unrestricted funding could be raised for general endowments was also discussed. It was noted that while this was common in North America, it was more challenging in the UK.

CAPITAL AND ESTATE

SCIENCE TEACHING HUB

- 122 The Court received a presentation and paper (*copy filed with the principal copy of the minutes*) which reported on progress with the Science Teaching Hub and sought approval for it to move to the next stage of development.
- 123 In discussion, members welcomed the project and the potential transformation it would provide for the University's facilities and attractiveness to students. It was noted that this was an example of the investment that financial sustainability would help deliver. The extent to which the project could feature in the fundraising campaign was discussed although this was considered to be a project where donor appeal was likely to be limited to support for the teaching spaces. The Court also discussed whether the building would sufficiently meet demand from postgraduates, the future use of the Meston building and how the technician support for the new building would be organised.
- 124 The Court approved that the project progress to the next stage of development (Gateway 4) at a cost of £1.138million.

PRESENTATION ON PROFESSIONAL SERVICES RESTRUCTURING

- 125 Due to restrictions of time the Court agreed to not take the scheduled presentation on the restructuring of Professional Services and that it should instead receive this by circulation.

NUMBER AND DURATION OF MEETINGS

- 126 The Court agreed it should consider extending the duration of meetings or introduce an additional meeting to ensure adequate time was available for business.
- 127 It was also suggested that further consideration be given to a digital mechanism for members to communicate and exchange views on issues in advance of meetings.
- 128 In the context of both suggestions, it was agreed that new members should be aware of the recommendations of the external effectiveness review which reported in March 2017. This was publicly available on the Court webpages or through the Clerk.

OPERATING BOARD REPORT

- 129 The Court received and noted a report from the Operating Board meetings held on 17 October, 13 November and 22 November 2017 (*copy filed with the principal copy of the minutes*).

REPORTS FROM COMMITTEES

GOVERNANCE AND NOMINATIONS COMMITTEE

- 130 The Court noted a report of the principal items of business considered by the Governance and Nominations Committee at its meeting on 8 November 2017 (*copy filed with the principal copy of the minutes*).
- 131 The Court approved a recommendation to amend the composition of the Governance and Nominations Committee to increase the number of independent members from four to five. This was required to comply with the new Scottish Code of Good HE Governance requirement that there be a majority of independent members on nominations committees.
- 132 The Court also noted the Committee had at the request of Court further considered the staff composition of Court committees. The Committee had agreed that the compositions as proposed to Court previously were appropriate but that two principles should guide the Committee's future consideration of the membership of the Court committees: (1) that there should be participation across the committees collectively from all categories of Court member; (2) that gender balance and diversity of the membership of committees should be achieved as far as practicable. The Committee further agreed that nominations for the vacancies on Court committees should now be sought and that, in particular, Senate Assessors would be asked to nominate their representatives to the vacancies arising for them. The Committee would, thereafter, need to consider those nominations against the gender balance and overall diversity of Committees.

AUDIT COMMITTEE

- 133 The Court noted a report of the principal items of business considered by the Audit Committee at its meetings on 28 September and 2 November 2017 (*copy filed with the principal copy of the minutes*).
- 134 The Court approved the reappointment of the University's External Auditor, KPMG, for a one-year period with effect from 1 January 2018.

STUDENT EXPERIENCE COMMITTEE

- 135 The Court noted a report of the principal items of business considered by the Student Experience Committee at its meeting on 2 October 2017 (*copy filed with the principal copy of the minutes*).
- 136 The Court approved changes proposed by the Committee to its Remit and Composition, subject to the additional approval of Senate being received. It was agreed, however, that with the permission of the Convener, all AUSA Sabbatical Officers would be welcome to attend the meetings.

PARTNERSHIP NEGOTIATING AND CONSULTATIVE COMMITTEE

- 137 The Court noted a report of the principal items of business considered by the Partnership Negotiating and Consultative Committee at its meeting on 15 November 2017 (*copy filed with the principal copy of the minutes*).
- 138 The Court approved revisions to the Consultation on Avoidance of Redundancy Policy which had been updated to reflect changes identified through recent application of the Policy.

RESEARCH POLICY COMMITTEE

- 139 The Court noted a report of the principal items of business considered by the Research Policy Committee at its meeting on 14 November 2017 (*copy filed with the principal copy of the minutes*).

UNIVERSITY COMMITTEE ON TEACHING AND LEARNING

- 140 The Court noted a report of the principal items of business considered by University Committee on Teaching and Learning at its meetings on 13 September and 8 November 2017 (*copy filed with the principal copy of the minutes*).

ROUTINE BUSINESS

ANNUAL STATEMENT ON RESEARCH GOVERNANCE AND INTEGRITY

- 141 The Court received and approved the University's Annual Statement on Research Governance and Integrity (*copy filed with the principal copy of the minutes*).

SENATE REPORT

- 142 The Court noted a report from the Senate meeting of 18 October 2017 (*copy filed with the principal copy of the minutes*).
- 143 The Court on the recommendation of the Senate approved changes to the Policy and Procedures on Academic Appeals and to the Complaints Handling Procedure.

REPORT FROM THE SENIOR GOVERNOR

- 144 The Court noted a report from the Senior Governor (*copy filed with the principal copy of the minutes*).

REPORT FROM THE PRINCIPAL

- 145 The Court noted a report from the Principal (*copy filed with the principal copy of the minutes*) on recent developments within the University.

REPORT FROM THE PRESIDENT OF THE STUDENTS' ASSOCIATION

- 146 The Court noted a report (*copy filed with the principal copy of the minutes*) from the President of the Students' Association on the recent activities of AUSA.

NEW SCOTTISH CODE OF GOOD HE GOVERNANCE

- 147 The Court noted a report on the publication of the new Scottish Code of Good HE Governance (*copy filed with the principal copy of the minutes*) which summarised the key new elements of the Code in high level terms and areas of current University practice that would require review. The Court noted that the Governance and Nominations Committee had given initial consideration to the new Code and a full benchmarking review of the University's compliance with the detailed provisions of the new Code would be considered by it at its next meeting in January 2018.

DEVELOPMENT TRUST ACTIVITY REPORT

- 148 The Court noted a report (*copy filed with the principal copy of the minutes*) from the Development Trust on the fundraising activities undertaken since the last meeting of Court.

ANNUAL REPORT ON REDUNDANCY ACTIVITIES

- 149 The Court received a paper (*copy filed with the principal copy of the minutes*) detailing the management of redundancy activities undertaken by Human Resources for the period of 1 December 2016 to 30 November 2017.

OUTCOME AGREEMENT WITH SCOTTISH FUNDING COUNCIL 2018/19

- 150 The Court received an update on the development of the University's Outcome Agreement with the Scottish Funding Council for the period 2018/19 (*copy filed with the principal copy of the minutes*). The Court noted the framework for the Outcome Agreement process and the proposed development timetable and that would be asked to approve the final Outcome Agreement at its next meeting.

HEALTH, WELLBEING AND SAFETY

- 151 The Court noted a report on Health, Wellbeing & Safety (*copy filed with the principal copy of the minutes*).

MONTHLY MANAGEMENT REPORT

- 152 The Court noted the Monthly Management Report for the period to 31 October 2017 (*copy filed with the principal copy of the minutes*).

DATE OF NEXT MEETING

- 153 The Court noted that the next scheduled meeting would be held on Wednesday 4 April 2018 at 9.00am and that an extraordinary meeting would be arranged in January 2018.

UNIVERSITY COURT: LOG OF FOLLOW UP ACTIONS FROM COURT MEETINGS

| Court Date | Minute Ref | Action Arising | Action By:- | Status |
|--------------|------------|---|------------------------------------|--|
| June 2017 | 242 | <p><u>Vision for the Estate: A World Class Campus Experience</u></p> <p>The Court agreed that it would benefit from having an extended discussion of the future vision for the campus and that this needed to consider what the overriding context for the delivery of university education would be in the future and the part that digital technology and infrastructure would have in shaping that Estate. It was agreed this should be included in the programme for the Court meeting in October.</p> | University Secretary | In progress: As a result of the refocusing of the October 2017 meeting to a shorter agenda, this item has been deferred to a future meeting. |
| June 2017 | 258 | <p><u>Health, Wellbeing and Safety</u></p> <p>The Court agreed that in future the report should contain information on the wellbeing of staff and students. It was also agreed that the Court should receive a presentation on the University's Mental Health Strategy at its next meeting.</p> | University Secretary/VP for People | In progress: As a result of the refocusing of October's meeting to a shorter agenda, the presentation has been deferred to a future meeting. |
| June 2017 | 260 | <p><u>Business for Strategy Meeting</u></p> <p>The following items were noted as potential items of business:</p> <ul style="list-style-type: none"> - Reviewing and confirming the University's Strategy; - The Estate and what the impact of long-term trends and change in higher education would be for the campus; - The University's approach to digital marketing and social media; - The University's brand; - The University's mental health strategy - The University's partnership with industry: its potential as a source of income diversification and as a partner for its students; - A presentation by the Students' Association. Further suggestions on what the Court would particularly find helpful for this to include were requested by AUSA. | University Secretary | In progress: As a result of the refocusing of October's meeting to a shorter agenda, these items will be considered for inclusion on the agenda of future meetings. |
| October 2017 | 9 | <p><u>Minutes and Action Log</u></p> <p>The Court agreed that it should at its next meeting have an opportunity to receive updates on the issue of Brexit and its implications for strategy.</p> | Senior Vice-Principal | In progress: An update was included on the agenda for the December Court advising the item is scheduled for the April 2017 meeting. |

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| December 2017 | 75 | <u>Modern Slavery and Human Trafficking Statement</u> The Court agreed that the Statement should also address how the University discharged its responsibilities in this regard through its transnational partners. The Statement would be circulated to Court once updated. | Director of Finance | Complete |
| December 2017 | 84 | <u>Oil and Gas Industry</u> It was agreed it would be helpful for Court to receive a presentation on the University's partnerships with the Oil and Gas industry. | University Secretary | In progress: To be included at a future meeting or pre-Court dinner. |
| December 2017 | 92 | <u>Financial Sustainability</u> The Court agreed that a meeting to discuss the issues further should be arranged for January or early February 2018. | University Secretary | Complete |
| | 93 | The Court agreed that an appropriate communication to staff to ensure there was clarity regarding the decisions reached by Court from the discussion should be issued before the Christmas holiday period. | University Secretary | Complete |
| December 2017 | 99 | <u>Rectorial Election</u> The Court agreed to ask that the Senate confirm that due process had been followed by the Elections Committee and for the outcome of the Senate's consideration of this to be reported to Court. | University Secretary | Complete |
| | 100 | The Court also agreed on the need for further communication with students and staff to advise them of the further consideration given to the matter by both Court and Senate. The Court also agreed that candidates in the election should be asked to refrain from making any further public comment until such time as the election took place. | University Secretary | Complete |
| | 101 | The Court noted that there would be a period now while the Court did not have a Rector and that clarification would be sought on whether the current term of the Rector could be extended pending | University Secretary | Complete |

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| | | the election taking place but that this was not understood to be permissible under the terms of the Ordinance. | | |
| December 2017 | 106 | <u>University of Aberdeen Superannuation and Life Assurance Scheme (UASLAS)</u> <p>It was suggested that a further option which sought to mirror the approach of the national USS scheme also be considered although it was noted that the USS provisions did not benefit from securitised assets. It was also noted that retaining the current structure of the scheme was not sustainable and, therefore, not an option. The Court agreed that further consideration be given to the suggestion of mirroring the USS scheme as an option and the Operating Board's recommendation to Court be deferred pending that work being undertaken.</p> | Director of Finance | In progress |
| December 2017 | 125 | <u>Presentation on Professional Services Restructuring</u> <p>Due to restrictions of time the Court agreed to not take the scheduled presentation on the restructuring of Professional Services and that it should instead receive this by circulation.</p> | University Secretary | Complete |
| December 2017 | 126 | <u>Number and Duration of Meetings</u> <p>The Court agreed it should consider extending the duration of meetings or introduce an additional meeting to ensure adequate time was available for business.</p> | University Secretary | In progress |

List of completed items available on Court Intranet or on request from the Clerk.

UNIVERSITY OF ABERDEEN

UNIVERSITY COURT

REPORT FROM SENATUS ACADEMICUS

1. PURPOSE OF THE PAPER

1.1 **This is a paper communicating to Court a motion considered by the Senate at an extraordinary meeting held on 24 January 2018.**

1.2 This paper is provided **for discussion**.

2. RECOMMENDED ACTION

2.1 The Court is invited to consider the request from Senate.

3. DISCUSSION

3.1 An extraordinary meeting of Senate was called by Senators which included consideration of a motion regarding the 'Financial Position of the University'. Following discussion and a vote the Senate agreed the following should be communicated to Court:

'Request from Senate to the University Court to establish a joint Court and Senate Working Group to address forecast financial deficit

(a) Senate **respectfully requests** of Court that a Joint Court and Senate Working Group on the Financial Position of the University be authorised by Court at the 29th January Court Meeting with the remit of assessing the financial position of the University and to consider what measures are necessary to improve the financial position of the University in order to best deliver its mission as set out in its Strategic Plan 2015-2020. This working group to deliver a report with recommendations by the end of May or by such date as Court should deem appropriate.

(b) Senate further **respectfully requests** of Court that no major changes in the structure or expenditure of the University be approved of until the meaningful dialogue called for in sub paragraph (a) has occurred and until the Court-Senate Working Group called for in sub paragraph (a) above has delivered its report to Court and Senate.'

4. FURTHER INFORMATION

4.1 Further information is available from Dr Rachael Bernard, Academic Registrar (r.bernard@abdn.ac.uk or extension 3388)

[1 February 2018] [Version 1] [Open]